RONALD E. BACHMAN

Ronald E. Bachman is a Senior Fellow of the Center for Health Transformation (CHT) and a respected actuary with extensive experience in healthcare strategy for payers, providers and employers.

In recent years, Mr. Bachman has focused on the market evolution of the consumer-centric health plan. He has worked on special projects with CHT and Former Speaker Newt Gingrich on health policy issues and market transformation ideas. Mr. Bachman worked closely with the Bush White House and Treasury on the language and principles of the 2002 Health Reimbursement Arrangement (HRA) guidelines. In 2003 and 2004 he worked through CHT to provide policy input on Health Savings Accounts (HSA). He has consulted with various government agencies on national health issues and legislative and regulatory proposals. He has served as a designated expert on actuarial issues to the Centers for Medicare and Medicaid Services, the Congressional Budget Office, the Department of Labor, the National Institute of Mental Health, and several members of Congress.

Mr. Bachman is the author of several publications, including "Consumer-Driven Healthcare – The Future in Now", "Giving Patients More Control" published by the National Center for Policy Analysis. He has written numerous articles such as, "Boomers Will Revise an Aged, Ineffective System" and "Consumer-centric Medicare" both articles co-authored with Newt Gingrich, founder of the Center for Health Transformation.

A Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, he obtained a Masters in Actuarial Science from Georgia State University and a Bachelor of Science in Applied Mathematics from the Georgia Institute of Technology.

Consumer-centric Medicaid in a 21st Century Intelligent Healthcare System

An Approach for Savings Lives and Improving the Health of Medicaid Recipients

Healthcare Visions, Inc. Creating the possible...



Consumer-centric Medicaid

To achieve real transformation in Medicaid:

One program design cannot meet the needs of such distinct and separate groups of beneficiaries –

- 1. the poor.
- 2. people with disabilities (Aged, Blind, Disabled), and
- 3. the frail elderly.

Consumer-centric Medicaid as described in this presentation focuses on the first group



Consumer-centric Medicaid

Consumer-centric Medicaid is about transforming the health benefit plan into one that puts economic purchasing power—and decision-making—in the hands of participants.

It's about supplying the information and decision support tools they need, along with financial incentives, rewards, and other benefits that encourage personal involvement in altering health and healthcare purchasing behaviors.

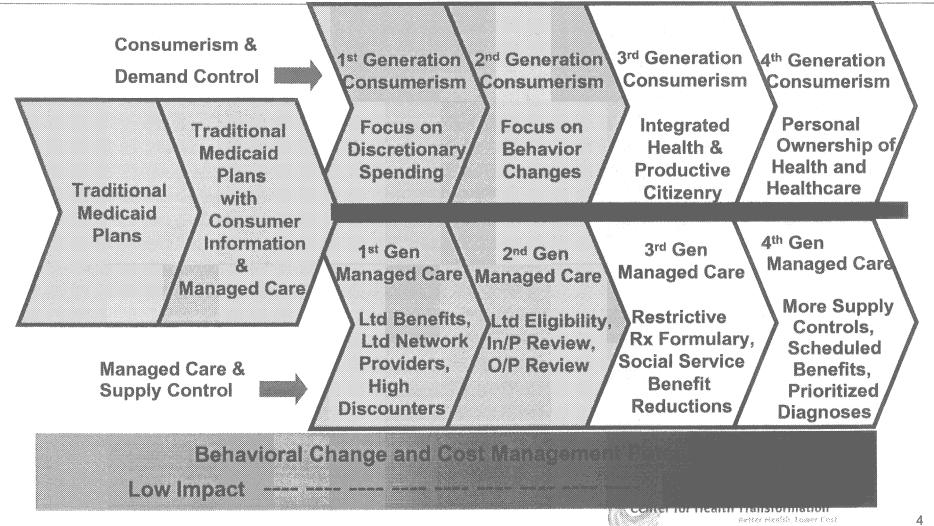


Two Basic Principles for Successful Consumer-centric Medicaid

- Must work for the Sickest Participants, as well as the healthy
- 2. Must work for those not wanting to get involved in decision-making, as well as the "techies"



Two Choices for the Future Managed Care or Consumerism



mjt2

mjthompson001, 3/2/2004

The Consumer-centric Medicaid Grid	1 st Generatio Consumeris Focus on Discretiona Spending	Consumeris Focus on	Integrated Health & Productive	4 th Generation Consumerism Personal Ownership of Health and Healthcare
Personal Care Accounts	Allocation to purchase Private Coverage	Individual Activity & Compliance Rewards	Individual, Family & Group Rewards	Conversion to Private HSAs, Use for non-Healthcare
Health Management	100% Preventive Care thru Debit Cards	Web-based behavior change support programs	Wellness, Stress, Juv Justice, Violence, MH/SA	Genomics, predictive modeling push technology
Disease and Case Management	Information, health coach, Cash & Counseling	Disease specific focus, (Diabetes, MH/SA), Special Case Mgmt Svcs	Functionality Focus, Population Mgmt, Cultural DM, Integrated Hlth Mgmt,	Wireless cyber – support, Holistic care
Education, Communication, Information & Decision Support Tools	Payor / Intermediary Sponsored, Paper Based	Tele, Personal and Family hlth mgmt, Community Resources	Info on Quality and Health Disparities, Multi-Cultural needs, Faith Based Outreach	Personal Responsibilities, Self-care, information therapy
Incentives & Rewards	Potential if unexpected Funds	Health Opportunity Acct, activity based incentives,P4P,P4C	Non-health State initiatives	Subsidies for movement to Indiv. or Employment Based Coverage

Integrated Health Management Program An Implementation Option for Multiple Generations

General Manager

Personal Care Accts. FSAs, HRAs, HSAs

Altho Finellendliv

Acute Case Ngmi

Discusse (Vigini) Progressus

Demand **Wen**agement

Pacificalities

Wellings

Education

Utilization and Case Management

NETWORK A / TPA A

NETWORK B / TPA B

The secret is
cooperation and
synergy between
components supporting
the corporate strategies